

STATE OF MICHIGAN **DEPARTMENT OF EDUCATION** LANSING



MEMORANDUM

TO: State Board of Education

FROM: Thomas D. Watkins, Jr., Chairman September 27, 2004 on Wall

DATE:

SUBJECT: Approval of Revised Funding Formula for the McKinney-Vento

Homeless Assistance Act Grants

The Michigan Department of Education awards approximately \$1.5 million in annual grants to serve homeless children and youth under the McKinney-Vento Homeless Assistance Act. On June 26, 2003, the State Board of Education approved the following funding formula for grants to applicants that demonstrated both the need for services and the ability to meet the needs of homeless children and youth in their service areas:

- 1 A base amount of \$10,000 is distributed to each successful applicant.
- 2. The remaining funds are distributed among successful applicants based on the average number of homeless students served by each grantee. This average is determined by adding the number of homeless students served in the prior year to the estimated number to be served in the new year and dividing the sum by two.

Staff has been working with the recipients of McKinney-Vento grants in regions where there is a need to expand the coverage area to ensure that homeless children and youth throughout the state are served. As a result of this work, several grantees have indicated their willingness to expand the areas they serve. Staff proposes the following addition to the funding formula to ensure that resources are provided to support this expanded work:

3. If a successful applicant has agreed to a Department request to expand the area in which it will provide services to homeless children and youth, the funds for that applicant will be based on the estimated number of students to be served in the new year rather than the average determined in Step 2 of the formula.

It is recommended that the State Board of Education approve the revised funding formula for the McKinney-Vento Homeless Assistance Act grants as described in the Superintendent's memorandum dated September 27, 2004.

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